

Sumika Polymer Compounds (UK) Ltd – Year ended 31/3/2025
Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a director to have regard, amongst other matters, to the:

- (a) likely consequences of any decisions in the long-term;
- (b) interests of the company's employees;
- (c) need to foster the company's business relationships with suppliers, customers and others;
- (d) impact of the company's operations on the community and environment;
- (e) desirability of the company maintaining a reputation for high standards of business conduct;
- (f) need to act fairly between members of the company.

The Company has regular communication with its direct shareholder via monthly management meetings as well as reporting performance on a monthly basis. There are also robust approval processes in place which provide the shareholder with the opportunity to provide input, consideration and authorisation for key strategic decisions impacting both the financial prospects of the Company and those relating to sustainability objectives. The board of the Company comprises members elected by the shareholder.

The strength of our business depends upon the expertise, commitment and hard work of our employees and our objective is to retain the best workforce in order to meet the long-term strategy of our business. We engage our workforce regularly in open, transparent communication to highlight our accomplishments, explain future challenges and make key objectives clear so that each person understands how their role contributes to the success of the business.

The Company serves global customers and, due to the nature of the products we supply, we work closely with them to develop products which meet their specific needs. Many of our customers are long standing and we engage with them on a regular basis to ensure that we continue to support the security of their supply chain, meet their quality standards and provide technical support. To achieve this, we depend on the performance and reliability of our suppliers, and we work collaboratively with key suppliers to ensure that they meet our standards.

As long-standing local employers, the Company works with its local community to ensure a safe and sustainable environment and supports local and national charities through payroll giving schemes and fundraising events. On a wider scale and alongside our fellow group companies, we support and develop products and technologies which advance recycling in our industry, reduce waste and promote the use of sustainable materials.

We set out below some examples of how the directors have had regard to the matters set out in section 172(1)(a)-(f) when discharging their section 172 duties in their decision making.

Product development

The Company has continued its investment in a new laboratory and testing equipment to enable product development which broadens the industrial sectors it can support. During the year ended 31 March 2025, projects were approved which focus on specific products used within the construction industry. These projects have supported customer requirements to find lower cost, less chemically volatile solutions which can also incorporate recycled material. These actions increase the Company's potential for financial success for the benefit of all its stakeholders.

Pilot line investment

The directors have sanctioned an investment proposal to replace the Company's existing pilot line. Once installed, this new line will support a further widening of the range of product development and testing capabilities and underpins the Company's ability to continue to achieve certification from Tier 1 automotive companies as well as develop sustainable solutions across all industries. The investment therefore supports the needs of the Company's customers as well as reducing the environmental footprint of the Company's products.